

NEWS RELEASE

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State Revolving Fund Interest Rate Proposal will Lower Rates, Save Iowa Communities an Estimated \$28 Million on Water Quality Projects

Des Moines, Iowa – The Iowa Finance Authority and the Iowa Department of Natural Resources announced today that they are proposing to reduce the cost of water quality loans offered through the State Revolving Fund (SRF) even further. The proposal will change the interest rate from 3 percent to 1.75 percent for most loans.

“The Iowa Finance Authority is proud to partner with the Iowa Department of Resources to provide communities and municipalities with low-cost financing for water quality projects,” said Iowa Finance Authority Executive Director Dave Jamison. “The proposal to lower the program’s interest rates will translate to a \$150,000 savings in interest for a community with a \$1 million, 20-year SRF loan, an estimated total combined savings of \$28 million for Iowa communities for the life of the SRF loans.”

“The State Revolving Fund has assisted 500 Iowa communities in providing essential water and wastewater infrastructure and it is our hope that even more Iowa communities will take advantage of this resource in the coming year,” said Chuck Gipp, DNR Director. “Quality water costs money, and the SRF helps make the investment in Iowa’s water more affordable for communities.”

20 Year Term Current	20 Year-Term Proposed	30 Year Term Current	30 Year-Term Proposed
Interest Rate: 3% Servicing Fee: .25% Total: 3.25%	Interest Rate: 1.75% Servicing Fee: .25% Total: 2%	Interest Rate: 3% Servicing Fee: .25% Total: 3.25%	Interest Rate: 2.75% Servicing Fee: .25% Total: 3%

Disadvantaged communities that qualify for the extended (30-year) terms will receive the 1.75 percent interest rate. The SRF program also recently reduced its loan origination fee from 1 percent to half a percent, creating additional savings for communities and ratepayers.

Interest rates and fees are established in the SRF Intended Use Plans. The details of the interest rate proposal are now available for public comment at www.iowaSRF.com. A public hearing is scheduled for Thursday, Aug. 9 and the next plans will be considered by the Environmental Protection Commission on Sept. 18. If approved, the new rate will take effect on Sept. 28, 2012.

Since the inception of the State Revolving Fund, more than \$2 billion in clean water and drinking water loans have been made available to assist 500 Iowa communities and have directly benefited nearly 2 million Iowans. More information is available at: www.iowaSRF.com.

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